

Assembly Bill No. 296

CHAPTER 757

An act to amend Sections 14612, 22825.01, 25350.8, 25350.85, 25350.10, 25350.105, 26826.4, 26827, 68086, 68933, and 69926.5 of, and to add and repeal Section 14612.2 of, the Government Code, to amend Section 62.5 of the Labor Code, to amend and repeal Section 6611 of the Public Contract Code, to amend Section 40433 of, and to repeal Section 40409 of, the Public Resources Code, to amend Section 97.68 of, and to add Section 97.46 to, the Revenue and Taxation Code, to amend Section 17604 of the Welfare and Institutions Code, and to amend Item 3910-001-0387 of Section 2.00 of Chapter 157 of the Statutes of 2003, relating to state and local government.

[Approved by Governor October 10, 2003. Filed
with Secretary of State October 11, 2003.]

LEGISLATIVE COUNSEL'S DIGEST

AB 296, Oropeza. State and local government.

(1) Existing law authorizes the Department of General Services and the Director of General Services to perform specified activities for the purpose of achieving improved levels of performance. These provisions become inoperative on the effective date of the Budget Act of 2003, or June 30, 2003, whichever occurs later, and are repealed as of January 1, 2004.

This bill would delete the inoperative date and the repeal date of these provisions.

(2) Existing law specifies that no agency is required to use the Office of State Publishing for its printing needs, but that the Office of State Publishing may offer printing services to both state and other public agencies and agencies of the United States government. When soliciting bids for printing services from the private sector, state agencies are required to also solicit a bid from the Office of State Publishing when the project is anticipated to cost more than \$5,000. The Office of State Publishing is authorized to accept paid advertisements under specified conditions. These provisions become inoperative on the effective date of the Budget Act of 2003, or June 30, 2003, whichever occurs later, and are repealed as of January 1, 2004.

This bill would eliminate these provisions, but would, except for the authorization for the Office of State Publishing to accept paid advertisements, reenact these provisions. These provisions would become inoperative on the effective date of the Budget Act of 2004, or

July 1, 2004, whichever is later, and would be repealed on January 1, 2005.

(3) Until January 1, 2005, or earlier, as specified, the Rural Health Care Equity Program, as administered by the Department of Personnel Administration, provides subsidies and reimbursements for certain health care premiums and health care costs incurred by state employees and annuitants in rural areas in which there is no board-approved health maintenance organization plan available for enrollment. Chapter 228 of the Statutes of 2003, on and after January 1, 2004, limits these subsidies and reimbursements to annuitants who reside in California, and makes ineligible those annuitants who become residents of another state on or after July 1, 2003.

This bill would instead provide that the California residency requirements under the program become operative on and after January 1, 2004.

(4) The Sales and Use Tax Law imposes a tax on the gross receipts from the sale in this state of, or the storage, use, or other consumption in this state of, tangible personal property. The Bradley-Burns Uniform Local Sales and Use Tax Law (Bradley-Burns Law) authorizes a county to impose a local sales and use tax at a rate of $1\frac{1}{4}\%$, and similarly authorizes a city, located within a county imposing such a tax rate, to impose a local sales tax rate of 1% that is credited against the county rate. Existing law provides that on and after July 1, 2004, until a specified date after the Director of Finance makes a specified notification to the State Board of Equalization, that the tax rate authorized to be imposed under the Bradley-Burns Law be reduced to a specified percentage. During this period, existing law requires each county auditor to annually allocate a portion of property revenues into a Sales and Use Tax Compensation Fund, for allocation to the county and cities for reimbursement of local sales tax revenue losses resulting from the reduction of the amount of taxes imposed under the Bradley-Burns Law.

Existing law authorizes the Board of Supervisors of the County of Orange to elect, by resolution, to guarantee payment under a financing agreement, or to guarantee payment under an agreement to finance the lease or lease-purchase of property through the issuance of certificates of participation or lease revenue bonds pursuant to specified procedures, including notice to the Controller and a schedule for transfer of moneys to a trustee for payments under the agreement.

Existing law requires that specified portions of taxes collected by the State Board of Equalization from taxes imposed by the County of Orange pursuant to the Bradley-Burns Law, as specified, be pledged to all certificates of participation or lease revenue bonds issued during the



years 1996 and 1997, not to exceed the amount to be paid in those fiscal years on those certificates of participation or lease revenue bonds.

This bill would make conforming amendments to existing law to specifically provide, among other things, that moneys allocated to the County of Orange from the County of Orange's Sales and Use Tax Compensation Fund, for reimbursement of the losses resulting from the reduction of the amount of taxes imposed under the Bradley-Burns Law, are similarly pledged to all certificates of participation or lease revenue bonds issued during the years 1996 and 1997.

(5) Existing law establishes, until July 1, 2006, a \$500 fee to be paid by each party for filing specified papers requesting or opposing the designation of a case as a complex case, and requires payment of the same fee by each party whenever a case is otherwise designated as a complex case upon order of the court. Existing law requires these fees to be deposited in a special account in the county treasury and transmitted therefrom monthly to the Controller for deposit in the Trial Court Trust Fund. Existing law also specifies that these fees are in addition to total filing fees and specified surcharges, and provides for the enforcement of these requirements.

This bill would specify that these fees be charged in all complex cases filed on or after August 18, 2003. The bill would impose a limitation of \$10,000 on the total amount of fees collected from all plaintiffs, and the same from all defendants, intervenors, respondents, or adverse parties appearing in a complex case. The bill would also provide for reimbursement of fees upon a specified circumstance.

Existing law specifies the fees for various filings in probate court.

This bill would revise the documents to which these fees apply and provide that these fees are for trusts as well as estates of specified value. The bill would also revise provisions governing the petitioner's valuation of a decedent's estate, and provide for the reimbursement of an original petitioner for specified fees he or she has paid.

Existing law provides for court reporter fees, as specified, plus a one-time \$25 fee to each party upon filing a first paper, except as specified.

This bill would delete the requirement that the one-time \$25 fee be paid by each party.

Existing law establishes the Appellate Court Trust Fund, to be apportioned by the Judicial Council upon appropriation by the Legislature, as specified.

This bill would revise the provisions governing the apportionment of funds in the Appellate Court Trust Fund by the Judicial Council, as specified.



Existing law imposes a \$20 filing fee surcharge in certain cases to fund court security.

This bill would impose an additional \$20 or \$10 surcharge in certain cases, for a specified period.

(6) Existing law establishes the Uninsured Employers Benefits Trust Fund and the Subsequent Injuries Benefits Trust Fund, which replaced the Uninsured Employers Fund and the Subsequent Injuries Fund, respectively. Existing law provides, commencing January 1, 2004, that all references to the old funds shall mean the new funds.

This bill would delete the January 1, 2004 date, thereby changing these references upon the effective date of this bill.

(7) Existing law authorizes the Department of General Services to establish a negotiation process that may be used during various stages of the procurement process when the department procures goods, services, construction services, or information technology for itself or on behalf of another state agency.

This bill would, until July 1, 2006, instead authorize that negotiation process relative to contracts for goods, services, information technology, and telecommunications, and authorize the department to negotiate amendments to existing contracts, as provided. This bill would make those provisions inoperative on July 1, 2006.

(8) Existing law, the California Integrated Waste Management Act of 1989, establishes an integrated solid waste management program that is administered by the California Integrated Waste Management Board. Existing law requires the Governor to appoint one adviser for each member of the board upon the recommendation of the board member and provides that the adviser serving the chairperson of the board is to be known as the principal adviser. Existing law prohibits an appointed adviser from selecting an additional deputy or employee and prohibits the board from expending any funds to pay for the salary of a deputy or employee of an adviser. Existing law also prohibits a board member or adviser from collecting per diem or travel expenses for attending a meeting at the board headquarters or for traveling to or from the board headquarters.

This bill would delete the requirement that the adviser serving the chairperson of the board is to be known as the principal adviser and would delete the prohibitions on an appointed adviser selecting an additional deputy or employee. The bill would also delete the provision prohibiting the board from expending any funds to pay for the salary of a deputy or employee of an adviser, and the provision prohibiting a board member or adviser from collecting per diem or travel expenses for attending a meeting at the board headquarters or for traveling to or from the board headquarters.



(9) Existing property tax law requires the county auditor, in each fiscal year, to allocate property tax revenue to local jurisdictions in accordance with specified formulas and procedures, and generally requires that each jurisdiction be allocated an amount equal to the total of the amount of revenue allocated to that jurisdiction in the prior fiscal year, subject to certain modifications, and that jurisdiction's portion of the annual tax increment, as defined. Existing property tax law also reduces the amounts of ad valorem property tax revenue that would otherwise be annually allocated to the county, cities, and special districts pursuant to these general allocation requirements by requiring, for purposes of determining property tax revenue allocations in each county for the 1992–93 and 1993–94 fiscal years, that the amounts of property tax revenue deemed allocated in the prior fiscal year to the county, cities, and special districts be reduced in accordance with certain formulas. It requires that the revenues not allocated to the county, cities, and special districts as a result of these reductions be transferred to the Educational Revenue Augmentation Fund in that county for allocation to school districts, community college districts, and the county office of education.

This bill would modify these ad valorem property tax revenue allocation provisions by requiring a specified factor increase in the amount that would, from specified moneys in an Educational Revenue Augmentation Fund, otherwise be allocated to county offices of education and community college districts, and requiring that the balance of these specified moneys be allocated to school districts.

By imposing additional ad valorem property allocation duties upon local tax officials, this bill would impose a state-mandated local program.

Existing property tax law requires the county auditor, in each fiscal year, to allocate property tax revenue to local jurisdictions in accordance with specified formulas and procedures, and generally requires that each jurisdiction be allocated an amount equal to the total of the amount of revenue allocated to that jurisdiction in the prior fiscal year, subject to certain modifications, and that jurisdiction's portion of the annual tax increment, as defined. Existing property tax law also reduces the amounts of ad valorem property tax revenue that would otherwise be annually allocated to the county, cities, and special districts pursuant to these general allocation requirements by requiring, for purposes of determining property tax revenue allocations in each county for the 1992–93 and 1993–94 fiscal years, that the amounts of property tax revenue deemed allocated in the prior fiscal year to the county, cities, and special districts be reduced in accordance with certain formulas. It requires that the revenues not allocated to the county, cities, and special



districts as a result of these reductions be transferred to the Educational Revenue Augmentation Fund in that county for allocation to school districts, community college districts, and the county office of education.

Existing law requires the county auditor to decrease, for the fiscal adjustment period, as defined, the amount of ad valorem property tax revenue allocated to a county's Educational Revenue Augmentation Fund by the countywide adjustment amount, as defined, and requires the auditor to instead allocate this amount to the Sales and Use Tax Compensation Fund in the county. Existing law requires, during this same period, the county auditor to allocate moneys from the Sales and Use Tax Compensation Fund to cities and counties to reimburse these entities for local tax revenue losses resulting from a specified statute, as provided. Existing law requires these allocations to be made in a manner that ensures that the amount of ad valorem property tax revenue allocated to cities, counties, and special districts pursuant to specified statutes is not reduced.

This bill would additionally require these allocations to be made in a manner that ensures that the amount of ad valorem property tax revenue allocated to cities, counties, and special districts pursuant to other statutes, with respect to tax equity allocations, is not reduced.

(10) The Vehicle License Fee (VLF) Law establishes, in lieu of any ad valorem property tax upon vehicles, an annual license fee for any vehicle subject to registration in this state in the amount of 2% of the market value of that vehicle, as specified. The VLF Law offsets this amount by 67.5% for vehicle license fees with a final due date on or after July 1, 2001.

Existing law requires the Controller, upon receipt of monthly notification from the Department of Motor Vehicles, to transfer into specified funds in the General Fund, an amount equal to the moneys received as payment of the vehicle license fees plus those amounts necessary to reimburse local governments for losses resulting from the vehicle license fee offset. Existing law requires the VLF offsets to be proportionately reduced within 90 days of a finding that there are insufficient moneys available to be transferred from the General Fund to fully fund the vehicle license fee offsets.

The Controller is required, no later than August 15, 2006, to transfer into a specified account, an amount equal to those amounts of moneys that would have been transferred into that account to reimburse local governments for losses during the 2003–04 fiscal year, but for a finding that insufficient moneys available to be transferred from the General Fund to fully fund the vehicle license fee offsets. Existing law requires



the transferred moneys to be allocated from that account in the manner otherwise specified by law.

The Controller is authorized, with the approval of the Department of Finance, to advance to any county or city that entity's share of the vehicle license fee revenues that the entity would have received, but for the finding that insufficient moneys are available to be transferred from the General Fund, if that entity is able to demonstrate that it will experience a hardship, as defined, if the advance is not made.

This bill would provide that certain vehicle license fee revenues are deemed to have been deposited in the Vehicle License Fee Account in the Local Revenue Fund during a specified period and allocated to cities and counties during the 2002–03 fiscal year.

(11) Existing law generally sets forth the duties of the Director of Finance in implementing the Department of Finance's supervision over all matters concerning the financial and business policies of the state.

Existing law generally sets forth the duties of the Treasurer in the receipt and keeping of moneys in the State Treasury, and in the approval of the issuance of bonds, notes, or other evidence of indebtedness by or on behalf of the state.

Existing law generally sets forth the duties of the State Allocation Board in apportioning or allocating specified funds to local agencies for public works projects.

This bill would require the Director of Finance to work with the Treasurer, the State Allocation Board, and any other executive agencies as necessary, to achieve a combined savings of no less than \$50,000,000 in General Fund debt service costs in the 2003–04 and 2004–05 fiscal years.

(12) This bill would require the use of \$685,000 of the amount appropriated in the Budget Act of 2003 to the California Integrated Waste Management Board to fund designated support positions.

(13) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement, including the creation of a State Mandates Claims Fund to pay the costs of mandates that do not exceed \$1,000,000 statewide and other procedures for claims whose statewide costs exceed \$1,000,000.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.



The people of the State of California do enact as follows:

SECTION 1. Section 14612 of the Government Code is amended to read:

14612. (a) The department shall commit itself to achieve improved levels of performance, as specified in this section, by focusing its efforts on enhancing the value of the services it delivers.

(b) The department shall commit itself to providing both of the following:

(1) Services that the Legislature or Governor requires state agencies to purchase from the department.

(2) Services that state agencies are not required to purchase from the department, but that the department can provide on a cost-competitive basis.

(c) Notwithstanding any other provision of law, the director or his or her designee, in lieu of the Director of Finance, may approve DGS Form 22 and DGS Form 220, including the extension of time to expend transferred funds, the transfer of funds from one work order to another, and the Return of Funds Document.

(d) Notwithstanding Chapter 3 (commencing with Section 13940) of Part 4, the director or his or her designee may approve “relief from accountability” for debts owed to the department up to five thousand dollars (\$5,000) when the department determines it cannot collect the debts or when the cost of collection exceeds the amount of the debt.

(e) Notwithstanding Section 2807 of the Penal Code, the director or his or her designee may procure goods from the private sector even though the goods may be available from the Prison Industry Authority, when in his or her discretion, it is cost beneficial to do so and if the director or his or her designee continues to include the authority in soliciting quotations for goods.

(f) Notwithstanding subdivision (a) of Section 948 and Section 965, the director or his or her designee, in lieu of the Director of Finance, may certify funds for payment of all legal settlements and tort claims for which the department already has sufficient expenditure authority and funds without the need for augmentation.

(g) Notwithstanding Section 965.2, the director or his or her designee, in lieu of the Director of Finance, may certify funds for payment for all legal court settlements for projects funded from the Architecture Revolving Fund, if a sufficient fund balance exists in the work order to pay the claim and the payment does not require a budget augmentation to complete the project.

(h) Notwithstanding Section 14957, the director or his or her designee, in lieu of the Director of Finance, may approve the deposit of

checks directly into the Architecture Revolving Fund. The department shall notify the Department of Finance within 30 days of the date that the department makes such a deposit.

SEC. 2. Section 14612.2 is added to the Government Code, to read:

14612.2. (a) Notwithstanding Chapter 7 (commencing with Section 14850) of Part 5.5 of Division 3 of Title 2 of, or Section 14901 of, the Government Code, no agency is required to use the Office of State Publishing for its printing needs and the Office of State Publishing may offer printing services to both state and other public agencies, including cities, counties, special districts, community college districts, the California State University, the University of California, and agencies of the United States government. When soliciting bids for printing services from the private sector, all state agencies shall also solicit a bid from the Office of State Publishing when the project is anticipated to cost more than five thousand dollars (\$5,000).

(b) This section shall remain operative only until the effective date of the Budget Act of 2004 or July 1, 2004, whichever is later, and as of January 1, 2005, is repealed, unless a later enacted statute that is enacted before January 1, 2005, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 3. Section 22825.01 of the Government Code, as amended by Chapter 228 of the Statutes of 2003, is amended to read:

22825.01. (a) As used in this section, the following definitions shall apply:

(1) A “rural area” means an area in which there is no board-approved health maintenance organization plan available for enrollment by state employees or annuitants who live in the area.

(2) “Coinsurance” means the provision of a medical plan design in which the plan or insurer and state employee or annuitant share the cost of hospital or medical expenses at a specified ratio.

(3) A “deductible” means the annual amount of out-of-pocket medical expenses that state employees or annuitants must pay before the insurer or self-funded plan begins paying for expenses.

(4) “Department” means the Department of Personnel Administration.

(5) “Program” means the Rural Health Care Equity Program.

(b) (1) The Rural Health Care Equity Program is hereby established for the purpose of funding the subsidization and reimbursement of premium costs, deductibles, coinsurance, and other out-of-pocket health care costs, which would otherwise be covered if the state employee or annuitant was enrolled in a board-approved health maintenance organization plan, paid by employees and annuitants living in rural areas, as authorized by this section. The program shall be administered

by the department or by a third-party administrator approved by the department in a manner consistent with all applicable state and federal laws. The board shall determine the rural area for each subsequent fiscal year at the same meeting when the board approves premiums for health maintenance organizations.

(2) Separate accounts shall be maintained within the program for (A) employees, as defined in subdivision (c) of Section 3513; (B) excluded employees, as defined in subdivision (b) of Section 3527; and (C) annuitants as defined in subdivision (e) of Section 22754.

(c) Moneys in the Rural Health Care Equity Program shall be allocated to the separate accounts as follows:

(1) As the employer's contribution with respect to each employee, as defined in subdivision (c) of Section 3513, who lives in a rural area and who is otherwise eligible, an amount to be determined through the collective bargaining process.

(2) As the employer's contribution with respect to each excluded employee, as defined in subdivision (b) of Section 3527, who lives in a rural area and who is otherwise eligible, an amount equal to, but not to exceed, the amount given to eligible state employees, as defined in subdivision (c) of Section 3513, who live in a rural area.

(3) As the employer's contribution with respect to each annuitant, as defined in subdivision (e) of Section 22754, who lives in a rural area, is not a Medicare participant, resides in California, and who is otherwise eligible, an amount not to exceed five hundred dollars (\$500) per year.

(4) As to the state's contribution with respect to each state annuitant, as defined in subdivision (e) of Section 22754 who lives in a rural area, resides in California, participates in a board-approved, Medicare-coordinated health plan, participates in a board-approved health plan, and is otherwise eligible, an amount equal to the Medicare Part B premiums incurred by the annuitant, not to exceed seventy-five dollars (\$75) per month. The state shall not reimburse for penalty amounts.

(5) As to an employee who enters state service or leaves state service during a fiscal year, contributions for the employee shall be made on a pro rata basis. A similar computation shall be used for anyone entering or leaving the bargaining unit, including a person who enters the bargaining unit by promotion in mid-fiscal year.

(d) Each fund of the State Treasury, other than the General Fund, shall reimburse the General Fund for any sums allocated pursuant to subdivision (c) for employees whose compensation is paid from that fund. That reimbursement shall be accomplished using the following methodology:



(1) On or before December 1 of each year, the Department of Personnel Administration shall provide a listing of active state employees who participated in the Rural Health Care Equity Program in the immediately preceding fiscal year to each employing department.

(2) On or before January 15 of each year, every department that employed an active state employee identified by the Department of Personnel Administration as a participant in the Rural Health Care Equity Program shall provide the Department of Personnel Administration with a listing of the funds used to pay each employee's salary, along with the proportion of each active state employee's salary attributable to each fund.

(3) Using the information provided by the employing departments, the Department of Personnel Administration shall compile a listing of Rural Health Care Equity Program payments attributable to each fund. On or before February 15 of each year, the Department of Personnel Administration shall transmit this list to the Department of Finance.

(4) The Department of Finance shall certify to the Controller the amount to be transferred from the unencumbered balance of each fund to the General Fund.

(5) The Controller shall transfer to the General Fund from the unencumbered fund balance of each impacted fund the amount specified by the Department of Finance.

(6) To ensure the equitable allocation of costs, the Director of the Department of Personnel Administration or the Director of Finance may require an audit of departmental reports.

(e) For any sums allocated pursuant to subdivision (c) for annuitants, funds, other than the General Fund, shall be charged a fair share of the state's contribution in accordance with the provisions of Article 2 (commencing with Section 11270) of Chapter 3 of Part 1 of Division 3 of Title 2. On or before July 31 of each year, the Department of Personnel Administration shall provide the Department of Finance with the total costs allocated pursuant to subdivision (c) for annuitants in the immediately preceding fiscal year. The reported costs shall not include expenses that have been incurred but not claimed as of July 31.

(f) Notwithstanding any other provision of law and subject to the availability of funds, moneys within the Rural Health Care Equity Program shall be disbursed for the benefit of an employee who lives in a rural area and who is otherwise eligible. The disbursements shall, where there is no board-approved health maintenance organization plan available in an area that is open for enrollment for the employee, (1) subsidize the preferred provider plan premiums for the employee, by an amount equal to the difference between the weighted average of board-approved health maintenance organization premiums and the



lowest board-approved preferred provider plan premium available under this part and (2) reimburse the employee for a portion or all of his or her incurred deductibles, coinsurances, and other out-of-pocket health-related expenses, that would otherwise be covered if the employee were enrolled in a board-approved health maintenance organization plan.

These subsidies and reimbursements shall be provided according to a plan determined by the department, which may include, but is not limited to, a supplemental insurance plan, a medical reimbursement account, or a medical spending account plan.

(g) Notwithstanding any other provision of law and subject to the availability of funds, moneys within the Rural Health Care Equity Program shall be disbursed for the benefit of eligible annuitants, as defined in subdivision (e) of Section 22754, who live in rural areas, reside in California, and who are otherwise eligible. The disbursements shall, where there is no board-approved health maintenance organization plan available and open to enrollment by the annuitant, either (1) reimburse the annuitant if he or she is not a Medicare participant, for some or all of his or her deductibles, not to exceed five hundred dollars (\$500) per fiscal year, or (2) reimburse Medicare Part B premiums incurred by the annuitant, not to exceed seventy-five dollars (\$75) per month, exclusive of penalties. These reimbursements shall be provided by the department. Notwithstanding any other provision of law, any annuitant who cannot be located within a period of three months and whose disbursement is returned to the Controller as unclaimed is ineligible to participate in the program.

The state shall not reimburse for penalty amounts.

(h) Any moneys remaining in any account of the program at the end of any fiscal year shall remain in the account for use in subsequent fiscal years until the account is terminated. Moneys remaining in any account of the program upon termination, after payment of all outstanding expenses and claims incurred prior to the date of termination, shall be deposited in the General Fund.

(i) The Legislature finds and declares that the Rural Health Care Equity Program is established for the exclusive benefit of employees, annuitants, and family members.

(j) The amendments made to this section by Chapter 228 of the Statutes of 2003, as further amended by a subsequently chaptered bill in the first year of the 2003–04 Regular Session, shall become operative on January 1, 2004. This section shall cease to be operative on January 1, 2005, or on an earlier date as the board makes a formal determination that HMOs are no longer the most cost-effective health care plans offered by the board.



SEC. 3.1. Section 25350.8 of the Government Code is amended to read:

25350.8. (a) Taxes collected by the State Board of Equalization pursuant to Section 7204 of the Revenue and Taxation Code, that are derived from that portion of the taxes imposed by the County of Orange in excess of 1 percent, and for the period beginning on and after July 1, 2004, and ending when the rate modifications in subdivision (a) of Section 7203.1 of the Revenue and Taxation Code cease to apply, that are derived from that portion of the taxes imposed by that county in excess of one-half of 1 percent, pursuant to Part 1.5 (commencing with Section 7200) of Division 2 of the Revenue and Taxation Code, and that are permitted to be deposited to the general fund of the county pursuant to paragraph (1) of subdivision (a) of Section 29530.5 shall be pledged, without the necessity for specific authorization of the pledge by the board of supervisors, to all certificates of participation or lease revenue bonds executed and delivered or issued, as the case may be, during the years 1996 and 1997, including obligations executed and delivered or issued before 2010, to refund those certificates of participation or lease revenue bonds, to finance or refinance the lease or lease-purchase of property of the county and having a stated maturity of 20 years or more. Any refunding obligations may not have a final maturity later than the final maturity of the refunded obligations. The amount so pledged with respect to any fiscal year of the county may not exceed the amounts to be paid in that fiscal year on those certificates or lease revenue bonds.

(b) The pledge of taxes pursuant to this section shall constitute a contract between the County of Orange and the owners of any of the certificates of participation or lease revenue bonds and shall be protected from impairment by the United States and California Constitutions. The state hereby covenants with the owners of any certificates of participation or lease revenue bonds entitled to the pledge granted by this section that, as long as any of the certificates of participation or lease revenue bonds entitled to the pledge granted by this section shall remain outstanding, (1) the provisions of Section 7202 that authorize the imposition of the taxes may not be repealed and (2) the provisions of paragraph (1) of subdivision (a) of Section 29530.5 may not be repealed prior to July 1, 2011, nor may either section be altered or amended in any manner that would adversely affect the security of, or the ability of the county to pay, the principal of and interest on the certificates of participation or lease revenue bonds entitled to the pledge granted by this section. However, nothing precludes any alteration or amendment if and when adequate provision has been made by law for the protection from impairment of the contract represented by the certificates of participation or lease revenue bonds, and the right to so alter or amend



is hereby reserved. The county may include this covenant of the state in the agreements or other documents underlying the certificates of participation or lease revenue bonds.

SEC. 3.2. Section 25350.85 of the Government Code is amended to read:

25350.85. (a) Taxes collected by the State Board of Equalization pursuant to Section 7204 of the Revenue and Taxation Code, that are derived from that portion of the taxes imposed by a county of the second class in excess of 1 percent, and for the period beginning on and after July 1, 2004, and ending when the rate modifications in subdivision (a) of Section 7203.1 of the Revenue and Taxation Code cease to apply, that are derived from that portion of the taxes imposed by that county in excess of one-half of 1 percent, pursuant to Part 1.5 (commencing with Section 7200) of Division 2 of the Revenue and Taxation Code, and that are permitted to be deposited in the general fund of a county pursuant to paragraph (1) of subdivision (a) of Section 29530.6 shall be pledged, without the necessity for specific authorization of the pledge by the board of supervisors, to all certificates of participation or lease revenue bonds executed and delivered or issued, as the case may be, during the year 1996, including obligations executed and delivered or issued before 2010 to refund those certificates of participation or lease revenue bonds, to finance or refinance the lease or lease-purchase of property of the county and having a stated maturity of 20 years or more. Any refunding obligations may not have a final maturity later than the final maturity of the refunded obligations. The amount so pledged with respect to any fiscal year of the county may not exceed the amount to be paid in that fiscal year on those certificates or lease revenue bonds.

(b) The pledge of taxes pursuant to this section shall constitute a contract between a county of the second class and the owners of any of the certificates of participation or lease revenue bonds and shall be protected from impairment by the United States and California Constitutions. The state hereby covenants with the owners of any certificates of participation or lease revenue bonds entitled to the pledge granted by this section that, so long as any of the certificates of participation or lease revenue bonds entitled to the pledge granted by this section shall remain outstanding, (1) the provisions of Section 7202 that authorize the imposition of the taxes may not be repealed and (2) the provisions of paragraph (1) of subdivision (a) of Section 29530.6 may not be repealed prior to July 1, 2011, nor may either section be altered or amended prior to that date in any manner that would adversely affect the security of, or the ability of the county to pay, the principal of and interest on the certificates of participation or lease revenue bonds entitled to the pledge granted by this section. However, nothing



precludes any alteration or amendment if and when adequate provision has been made by law for the protection from impairment of the contract represented by the certificates of participation or lease revenue bonds, and the right to so alter or amend is hereby reserved. The county may include this covenant of the state in the agreements or other documents underlying the certificates of participation or lease revenue bonds.

SEC. 3.3. Section 25350.10 of the Government Code is amended to read:

25350.10. (a) Taxes collected by the State Board of Equalization pursuant to Section 7204 of the Revenue and Taxation Code, that are derived from the taxes imposed by the County of Orange pursuant to Part 1.5 (commencing with Section 7200) of Division 2 of the Revenue and Taxation Code, other than that portion of those taxes specified in Section 29530.5, and any moneys allocated from the Sales and Use Tax Compensation Fund to the County of Orange pursuant to Section 97.68 of the Revenue and Taxation Code, shall be pledged, without the necessity for specific authorization of the pledge by the board of supervisors, to all certificates of participation or lease revenue bonds executed and delivered or issued, as the case may be, during the years 1996 and 1997, including obligations executed and delivered or issued before 2010, to refund those certificates of participation or lease revenue bonds, to finance or refinance the lease or lease-purchase of property of the county and having a stated maturity of 20 years or more. Any refunding obligations may not have a final maturity later than the final maturity of the refunded obligations. The amount so pledged with respect to any fiscal year of the county may not exceed the amounts to be paid in the fiscal year on those certificates or lease revenue bonds.

(b) The pledge of taxes pursuant to this section shall constitute a contract between the county and the owners of any of the certificates of participation or lease revenue bonds and shall be protected from impairment by the United States and California Constitutions. The state hereby covenants with the owners of any certificates of participation or lease revenue bonds entitled to the pledge granted by this section that, as long as any of the certificates of participation or lease revenue bonds entitled to the pledge granted by this section shall remain outstanding, the provisions of Section 7202 of the Revenue and Taxation Code that authorize the imposition of the taxes may not be repealed. That section may not be altered or amended in any manner that would adversely affect the security of, or the ability of the county to pay, the principal of and interest on the certificates of participation or lease revenue bonds entitled to the pledge granted by this section. However, nothing precludes any alteration or amendment if and when adequate provision has been made by law for the protection from impairment of the contract



represented by the certificates of participation or lease revenue bonds, and the right to so alter or amend is hereby reserved. The county may include this covenant of the state in the agreements or other documents underlying the certificates of participation or lease revenue bonds.

SEC. 3.4. Section 25350.105 of the Government Code is amended to read:

25350.105. (a) Taxes collected by the State Board of Equalization pursuant to Section 7204 of the Revenue and Taxation Code, that are derived from the taxes imposed by a county of the second class pursuant to Part 1.5 (commencing with Section 7200) of Division 2 of the Revenue and Taxation Code, other than that portion of those taxes specified in Section 29530.6, and any moneys allocated from the Sales and Use Tax Compensation Fund to the county of the second class pursuant to Section 97.68 of the Revenue and Taxation Code, shall be pledged, without the necessity for specific authorization of the pledge by the board of supervisors, to all certificates of participation or lease revenue bonds executed and delivered or issued, as the case may be, during the year 1996, including obligations executed and delivered or issued before 2010 to refund those certificates of participation or lease revenue bonds, to finance the lease or lease-purchase of property of the county and having a stated maturity of 20 years or more. Any refunding obligation may not have a final maturity later than the final maturity of the refunded obligations. The amount so pledged with respect to any fiscal year of the county may not exceed the amounts to be paid in the fiscal year on those certificates or lease revenue bonds.

(b) The pledge of taxes pursuant to this section shall constitute a contract between the county and the owners of any of the certificates of participation or lease revenue bonds and shall be protected from impairment by the United States and California Constitutions. The state hereby covenants with the owners of any certificates of participation or lease revenue bonds entitled to the pledge granted by this section that, as long as any of the certificates of participation or lease revenue bonds entitled to the pledge granted by this section shall remain outstanding, the provisions of Section 7202 of the Revenue and Taxation Code that authorize the imposition of the taxes may not be repealed. However, nothing precludes any alteration or amendment if and when adequate provision has been made by law for the protection from impairment of the contract represented by the certificates of participation or lease revenue bonds, and the right to so alter or amend is hereby reserved. The county may include this covenant of the state in the agreements or other documents underlying the certificates of participation or lease revenue bonds.



SEC. 3.5. Section 26826.4 of the Government Code is amended to read:

26826.4. (a) In addition to the first appearance fee required by Section 26820.4 or 72055, a complex case fee shall be paid to the clerk at the time of the filing of the first paper if the case is designated as complex pursuant to the California Rules of Court. However, the total complex fees collected from all plaintiffs appearing in a complex case shall not exceed ten thousand dollars (\$10,000).

(b) In addition to the first appearance fee required under Section 26826 or 72056, a complex case fee shall be paid on behalf of each defendant, intervenor, respondent, or adverse party, whether filing separately or jointly, at the time that party files its first paper in a case if the case is designated or counterdesignated as complex pursuant to the California Rules of Court. This additional complex fee shall be charged to each defendant, intervenor, respondent, or adverse party appearing in the case, but the total complex fees collected from all the defendants, intervenors, respondents, or other adverse parties appearing in a complex case shall not exceed ten thousand dollars (\$10,000).

(c) In each case in which a court determines that the case is a complex case pursuant to the California Rules of Court, all parties who have not paid the fees required under subdivision (a) or (b) shall pay the complex case fee prescribed by those subdivisions to the clerk of the court within 10 calendar days of the filing of the court's order.

(d) In each case in which the court determines that a case that has been designated or counterdesignated as complex is not a complex case, the court shall order reimbursement to the parties of the amount of any complex case fees that the parties have previously paid pursuant to subdivision (a) or (b).

(e) (1) In each case determined to be complex in which the total fees actually collected exceed, or if collected would exceed, the limit in subdivision (a), the court shall make any order as is necessary to ensure that the total complex fees paid by the plaintiffs appearing in the case do not exceed the limit and that the complex fees paid by the plaintiffs are apportioned fairly among the plaintiffs.

(2) In each case determined to be complex in which the total fees actually collected exceed, or if collected would exceed, the limit in subdivision (b), the court shall make any order as is necessary to ensure that the total complex fees paid by the defendants, intervenors, respondents, or other adverse parties appearing in the case do not exceed the limit and that the complex fees paid by those parties are apportioned fairly among those parties.

(f) The complex case fee established by this section shall be five hundred dollars (\$500), unless the fee is reduced pursuant to this section.



The fee shall be deposited in a special account in the county treasury and transmitted therefrom monthly to the Controller for deposit in the Trial Court Trust Fund.

(g) The fees provided by this section shall be subject to the surcharge imposed by Section 68087.

(h) The fees provided by this section are in addition to the total filing fee authorized by Section 26820.4, 26826, 72055, or 72056, or any other fee authorized by law.

(i) Failure to pay the fees required by this section shall have the same effect as the failure to pay a filing fee, and shall be subject to the same enforcement and penalties.

(j) The complex fees provided for in this section shall be charged in all complex cases filed on or after August 18, 2003.

(k) This section shall become inoperative on July 1, 2006, and, as of January 1, 2007, is repealed, unless a later enacted statute that is enacted before January 1, 2007, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 4. Section 26827 of the Government Code, as amended by Chapter 159 of the Statutes of 2003, is amended to read:

26827. (a) The total fee for filing the first petition for letters of administration or letters testamentary, or the first petition for special letters of administration with the powers of a general personal representative pursuant to Section 8545 of the Probate Code, or a first account of a testamentary trustee of a trust that is subject to the continuing jurisdiction of the court pursuant to Chapter 4 (commencing with Section 17300) of Part 5 of Division 9 of the Probate Code is, as follows:

(1) One hundred eighty-five dollars (\$185) for estates or trusts under two hundred fifty thousand dollars (\$250,000).

(2) Two hundred fifty dollars (\$250) for estates or trusts of at least two hundred fifty thousand dollars (\$250,000) and less than five hundred thousand dollars (\$500,000).

(3) Three hundred fifty dollars (\$350) for estates or trusts of at least five hundred thousand dollars (\$500,000) and less than seven hundred fifty thousand dollars (\$750,000).

(4) Five hundred dollars (\$500) for estates or trusts of at least seven hundred fifty thousand dollars (\$750,000) and less than one million dollars (\$1,000,000).

(5) One thousand dollars (\$1,000) for estates or trusts of at least one million dollars (\$1,000,000) and less than one million five hundred thousand dollars (\$1,500,000).



(6) Two thousand dollars (\$2,000) for estates or trusts of at least one million five hundred thousand dollars (\$1,500,000) and less than two million dollars (\$2,000,000).

(7) Two thousand five hundred dollars (\$2,500) for estates or trusts of at least two million dollars (\$2,000,000) and less than two million five hundred thousand dollars (\$2,500,000).

(8) Three thousand five hundred dollars (\$3,500) for estates or trusts of at least two million five hundred thousand dollars (\$2,500,000) and less than three million five hundred thousand dollars (\$3,500,000).

(9) Three thousand five hundred dollars (\$3,500) plus 0.2 percent of the amount over three million five hundred thousand dollars (\$3,500,000) for estates or trusts of three million five hundred thousand dollars (\$3,500,000) or more.

(b) The petitioner under subdivision (a) shall estimate the fair market value of the decedent's estate at the date of the decedent's death in the petition, without reference to encumbrances or other obligations on estate property. The filing fee shall be determined based on the estimate by the petitioner at the time the petition is filed. If the final appraised value of the decedent's estate would result in a filing fee different from the filing fee actually paid, an adjustment shall be made at the time of the final account, under rules adopted by the Judicial Council. The filing fee for a trustee under subdivision (a) shall be based on the value of the trust shown in the first account.

(c) The total fee for filing the first petition for special letters of administration without the powers of a general personal representative, the first petition for letters of guardianship or letters of conservatorship, a petition for compromise of a minor's claim, a petition pursuant to Section 13151 of the Probate Code, a petition pursuant to Section 13650 of the Probate Code, except as provided in Section 13652 of the Probate Code, or a petition to contest any will or codicil is one hundred eighty-five dollars (\$185).

(d) A fee of one hundred eighty-five dollars (\$185) shall also be charged for filing any subsequent petition of a type described in subdivision (a) or (c) in the same proceeding by a person other than the original petitioner. If a person is appointed on a subsequent petition and qualifies as administrator, executor, or special administrator with the powers of a general personal representative under subdivision (a), the successful personal representative shall reimburse the original petitioner in excess of one hundred eighty-five dollars (\$185), less any unpaid costs awarded to the successful petitioner against the original petitioner, under rules adopted by the Judicial Council. The reimbursement shall be an expense of administration in the estate.

(e) This section shall become inoperative on July 1, 2006, and, as of January 1, 2007, is repealed, unless a later enacted statute that is enacted before January 1, 2007, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 5. Section 68086 of the Government Code, as amended by Chapter 159 of the Statutes of 2003, is amended to read:

68086. (a) The following provisions apply in superior court:

(1) In addition to any other fee required in civil actions or cases, for each proceeding lasting more than one hour, a fee equal to the actual cost of providing that service shall be charged per one-half day of services to the parties, on a pro rata basis, for the services of an official reporter on the first and each succeeding judicial day those services are provided pursuant to Section 269 of the Code of Civil Procedure.

(2) All parties shall deposit their pro rata shares of these fees with the clerk of the court as specified by the court, but not later than the conclusion of each day's court session.

(3) For purposes of this section, "one-half day" means any period of judicial time, in excess of one hour but not more than four hours, during either the morning or afternoon court session.

(4) In addition to the fees authorized by Sections 26820.4, 26826, 72055, and 72056, a one-time fee of twenty-five dollars (\$25) for the cost of the services of an official reporter shall be charged upon the filing of a first paper in a civil action or proceeding in the superior court, unless the amount demanded, excluding attorney's fees and costs, is ten thousand dollars (\$10,000) or less. No additional fee shall be charged to a party for the cost of the services of an official reporter in proceedings lasting one hour or less.

(5) The costs for the services of the official reporter shall be recoverable as taxable costs by the prevailing party as otherwise provided by law.

(6) The Judicial Council shall adopt rules to ensure all of the following:

(A) That parties are given adequate and timely notice of the availability of an official reporter.

(B) That if an official reporter is not available, a party may arrange for the presence of a certified shorthand reporter to serve as an official pro tempore reporter, the costs therefore recoverable as provided in paragraph (5).

(C) That if the services of an official pro tempore reporter are utilized pursuant to subparagraph (B), no other charge will be made to the parties.

(b) The fees collected pursuant to this section shall only be used to pay the cost for services of an official reporter in civil proceedings.



(c) The Judicial Council shall report on or before February 1 of each year to the Joint Legislative Budget Committee on the total fees collected and the total amount spent for official court reporter services in civil proceedings in the prior fiscal year.

SEC. 6. Section 68933 of the Government Code, as added by Chapter 159 of the Statutes of 2003, is amended to read:

68933. (a) There is hereby established the Appellate Court Trust Fund, the proceeds of which shall be used for the purpose of funding the courts of appeal and the Supreme Court.

(b) The fund, upon appropriation by the Legislature, shall be apportioned by the Judicial Council to the courts of appeal and the Supreme Court as determined by the Judicial Council, taking into consideration all other funds available to each court and the needs of each court, in a manner that promotes equal access to the courts, ensures the ability of the courts to carry out their functions, and promotes implementation of statewide policies.

(c) Notwithstanding any other provision of law, the fees listed in subdivision (d) shall all be transmitted for deposit in the Appellate Court Trust Fund within the State Treasury.

(d) This section applies to all fees collected pursuant to Section 68926, excluding that portion subject to Section 68926.3; subdivision (b) of Section 68926.1; and Sections 68927, 68928, 68929, 68930, and 68932.

(e) The Appellate Court Trust Fund shall be invested in the Surplus Money Investment Fund and all interest earned shall be allocated to the Appellate Court Trust Fund semiannually and used as specified in this section.

SEC. 7. Section 69926.5 of the Government Code is amended to read:

69926.5. (a) To ensure and maintain adequate funding for court security, a surcharge of twenty dollars (\$20) is added to the total fee collected pursuant to Section 26820.4, 26826, 26827, 72055, or 72056.

(b) In addition to the surcharge in subdivision (a), a surcharge of twenty dollars (\$20) is added to the total filing fee collected in a case pursuant to Section 26820.4, 26826, or 26827, a surcharge of twenty dollars (\$20) is added to the total filing fee collected in a limited civil case pursuant to Section 72055 or 72056 where the amount demanded, excluding attorney's fees and costs, is in excess of ten thousand dollars (\$10,000), and a surcharge of ten dollars (\$10) is added to the total filing fee collected in a limited civil case pursuant to Section 72055 or 72056 where the amount demanded, excluding attorney's fees and costs, is ten thousand dollars (\$10,000), or less. The surcharges in this subdivision shall be collected in cases filed from January 1, 2004, to June 30, 2004,

inclusive. The purpose of this surcharge is to stabilize funding for court security at the current level and is not intended to increase the funding available for court security in the 2003–04 fiscal year.

(c) Notwithstanding any other provision of law, the surcharges collected pursuant to subdivisions (a) and (b) shall all be deposited in a special account in the county treasury, and transmitted therefrom monthly to the State Controller for deposit in the Trial Court Trust Fund.

SEC. 8. Section 62.5 of the Labor Code is amended to read:

62.5. (a) The Workers' Compensation Administration Revolving Fund is hereby created as a special account in the State Treasury. Money in the fund may be expended by the department, upon appropriation by the Legislature, for the administration of the workers' compensation program set forth in this division and Division 4 (commencing with Section 3200), other than the activities financed pursuant to Section 3702.5, and may not be used for any other purpose.

(b) The fund shall consist of assessments made pursuant to subdivision (e). Costs to the program shall be shared on a proportional basis between the General Fund and employer assessments. The General Fund appropriation shall account for 80 percent and employer assessments shall account for 20 percent of the total costs of the program.

(c) (1) The Uninsured Employers Benefits Trust Fund is hereby created as a special trust fund account in the State Treasury, of which the director is trustee, and its sources of funds are as provided in subdivision (e). Notwithstanding Section 13340 of the Government Code, the fund is continuously appropriated for the payment of nonadministrative expenses of the workers' compensation program for workers injured while employed by uninsured employers in accordance with Article 2 (commencing with Section 3710) of Chapter 4 of Part 1 of Division 4, and shall not be used for any other purpose. All moneys collected shall be retained in the trust fund until paid as benefits to workers injured while employed by uninsured employers. Nonadministrative expenses include audits and reports of services prepared pursuant to subdivision (b) of Section 3716.1. The assessment amount for this fund shall be stated separately.

(2) Notwithstanding any other provision of law, all references to the Uninsured Employers Fund shall mean the Uninsured Employers Benefits Trust Fund.

(3) Notwithstanding paragraph (1), in the event that budgetary restrictions or impasse prevent the timely payment of administrative expenses from the Workers' Compensation Administration Revolving Fund, those expenses shall be advanced from the Uninsured Employers Benefits Trust Fund. Expense advances made pursuant to this paragraph



shall be reimbursed in full to the Uninsured Employers Benefits Trust Fund upon enactment of the annual Budget Act.

(d) (1) The Subsequent Injuries Benefits Trust Fund is hereby created as a special trust fund account in the State Treasury, of which the director is trustee, and its sources of funds are as provided in subdivision (e). Notwithstanding Section 13340 of the Government Code, the fund is continuously appropriated for the nonadministrative expenses of the workers' compensation program for workers who have suffered serious injury and who are suffering from previous and serious permanent disabilities or physical impairments, in accordance with Article 5 (commencing with Section 4750) of Chapter 2 of Part 2 of Division 4, and Section 4 of Article XIV of the California Constitution, and shall not be used for any other purpose. All moneys collected shall be retained in the trust fund until paid as benefits to workers who have suffered serious injury and who are suffering from previous and serious permanent disabilities or physical impairments. Nonadministrative expenses include audits and reports of services pursuant to subdivision (c) of Section 4755. The assessment amount for this fund shall be stated separately.

(2) Notwithstanding any other provision of law, all references to the Subsequent Injuries Fund shall mean the Subsequent Injuries Benefits Trust Fund.

(3) Notwithstanding paragraph (1), in the event that budgetary restrictions or impasse prevent the timely payment of administrative expenses from the Workers' Compensation Administration Revolving Fund, those expenses shall be advanced from the Subsequent Injuries Benefits Trust Fund. Expense advances made pursuant to this paragraph shall be reimbursed in full to the Subsequent Injuries Benefits Trust Fund upon enactment of the annual Budget Act.

(e) (1) Separate assessments shall be levied by the director upon all employers as defined in Section 3300 for purposes of deposit in the Workers' Compensation Administration Revolving Fund, the Uninsured Employers Benefits Trust Fund, and the Subsequent Injuries Benefits Trust Fund. The total amount of the assessments shall be allocated between self-insured employers and insured employers in proportion to payroll respectively paid in the most recent year for which payroll information is available. The director shall adopt reasonable regulations governing the manner of collection of the assessments. The regulations shall require the assessments to be paid by self-insurers to be expressed as a percentage of indemnity paid during the most recent year for which information is available, and the assessments to be paid by insured employers to be expressed as a percentage of premium. In no event shall the assessments paid by insured employers be considered a



premium for computation of a gross premium tax or agents' commission.

(2) The regulations adopted pursuant to paragraph (1) shall be exempt from the rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code).

SEC. 9. Section 6611 of the Public Contract Code is amended to read:

6611. (a) Notwithstanding any other provision of law, the Department of General Services may, relative to contracts for goods, services, information technology, and telecommunications, use a negotiation process if the department finds that one or more of the following conditions exist:

(1) The business need or purpose of a procurement or contract can be further defined as a result of a negotiation process.

(2) The business need or purpose of a procurement or contract is known by the department, but a negotiation process may identify different types of solutions to fulfill this business need or purpose.

(3) The complexity of the purpose or need suggests a bidder's costs to prepare and develop a solicitation response are extremely high.

(4) The business need or purpose of a procurement or contract is known by the department, but negotiation is necessary to ensure that the department is receiving the best value or the most cost-efficient goods, services, information technology, and telecommunications.

(b) When it is in the best interests of the state, the department may negotiate amendments to the terms and conditions, including scope of work, of existing contracts for goods, services, information technology, and telecommunications, whether or not the original contract was the result of competition, on behalf of itself or another state agency.

(c) (1) The department shall establish the procedures and guidelines for the negotiation process described in subdivision (a), which procedures and guidelines shall include, but not be limited to, a clear description of the methodology that will be used by the department to evaluate a bid for the procurement goods, services, information technology, and telecommunications.

(2) The procedures and guidelines described in paragraph (1) may include provisions that authorize the department to receive supplemental bids after the initial bids are opened. If the procedures and guidelines include these provisions, the procedures and guidelines shall specify the conditions under which supplemental bids may be received by the department.

(d) This section shall become inoperative on July 1, 2006, and, as of January 1, 2007, is repealed, unless a later enacted statute, that is enacted



before January 1, 2007, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 9.3. Section 40409 of the Public Resources Code, as added by Chapter 228 of the Statutes of 2003, is repealed:

SEC. 9.5. Section 40433 of the Public Resources Code, as amended by Chapter 228 of the Statutes of 2003, is amended to read:

40433. The Governor shall appoint one adviser for each member of the board upon the recommendation of the board member.

SEC. 10. Section 97.46 is added to the Revenue and Taxation Code, to read:

97.46. Notwithstanding subdivision (d) of Section 97.2 and subdivision (d) of Section 97.3, the revenue deposited in the Educational Revenue Augmentation Fund pursuant to Section 33681.9 of the Health and Safety Code shall be allocated as follows:

(a) To county offices of education, the amount of those revenues that would be allocated pursuant to paragraph (1) of subdivision (d) of Section 97.2 and paragraph (1) of subdivision (d) of Section 97.3 multiplied by 1.85185.

(b) To community college districts, the amount of those revenues that would be allocated pursuant to paragraph (1) of subdivision (d) of Section 97.2 and paragraph (1) of subdivision (d) of Section 97.3 multiplied by 1.85185.

(c) To school districts the remainder after the allocations made in subdivisions (a) and (b).

SEC. 11. Section 97.68 of the Revenue and Taxation Code is amended to read:

97.68. Notwithstanding any other provision of law, in allocating ad valorem property tax revenue allocations for each fiscal year during the fiscal adjustment period, all of the following apply:

(a) (1) The total amount of ad valorem property tax revenue otherwise required to be allocated to a county's Educational Revenue Augmentation Fund shall be reduced by the countywide adjustment amount.

(2) The countywide adjustment amount shall be deposited in a Sales and Use Tax Compensation Fund that shall be established in the treasury of each county.

(b) For purposes of this section, the following definitions apply:

(1) "Fiscal adjustment period" has the same meaning as "revenue exchange period" as defined in subdivision (b) of Section 7203.1.

(2) "Countywide adjustment amount" means the combined total revenue loss of the county and each city in the county that is annually estimated by the Director of Finance, based on the taxable sales in that county in the prior fiscal year as determined by the State Board of

Equalization and reported to the director on or before August 15 of each fiscal year during the fiscal adjustment period, to result for each of those fiscal years from the 0.5 percent reduction in local sales and use rate tax authority applied by Section 7203.1.

(c) For each fiscal year during the fiscal adjustment period, moneys in the Sales and Use Tax Compensation Fund shall be allocated among the county and the cities in the county, and those allocations shall be subsequently adjusted, as follows:

(1) The Director of Finance shall, on or before September 1 of each fiscal year during the fiscal adjustment period, notify each county auditor of that portion of the countywide adjustment amount for that fiscal year that is attributable to the county and to each city within that county.

(2) The county auditor shall allocate revenues in the Sales and Use Tax Compensation Fund among the county and cities in the county in the amounts described in paragraph (1). The auditor shall allocate one-half of the amount described in paragraph (1) in each January during the fiscal adjustment period and shall allocate the balance of that amount in each May during the fiscal adjustment period.

(3) After the end of each fiscal year during the fiscal adjustment period, other than a fiscal year subject to subdivision (d), the Director of Finance shall, based on the actual taxable sales for the prior fiscal year, recalculate each amount estimated under paragraph (1) and notify the county auditor of the recalculated amount.

(4) If the amount recalculated under paragraph (3) for the county or any city in the county is greater than the amount allocated to that local agency under paragraph (2), the county auditor shall, in the fiscal year next following the fiscal year for which the allocation was made, transfer an amount of ad valorem property tax revenue equal to this difference from the Sales and Use Tax Compensation Fund to that local agency.

(5) If the amount recalculated under paragraph (3) for the county or any city in the county is less than the amount allocated to that local agency under paragraph (2), the county auditor shall, in the fiscal year next following the fiscal year for which the allocation was made, reduce the total amount of ad valorem property tax revenue otherwise allocated to that city or county from the Sales and Use Tax Compensation Fund by an amount equal to this difference and instead allocate this difference to the county Educational Revenue Augmentation Fund.

(6) If there is an insufficient amount of moneys in a county's Sales and Use Tax Compensation Fund to make the transfers required by paragraph (4), the county auditor shall transfer from the county Educational Revenue Augmentation Fund an amount sufficient to make the full amount of these transfers.



(d) (1) If Section 7203.1 ceases to be operative during any calendar quarter that is not the calendar quarter in which the fiscal year begins, the excess amount, as defined in paragraph (2), of the county and each city in the county shall be reallocated from each of those local agencies to the Educational Revenue Augmentation Fund.

(2) For purposes of this subdivision, “excess amount” means the product of both of the following:

(A) The total amount of ad valorem property tax revenue allocated to that local agency pursuant to paragraph (2) of subdivision (c).

(B) That percentage of the fiscal year in which Section 7203.1 is not operative.

(e) For the 2005–06 fiscal year and each fiscal year thereafter, the amounts determined under subdivision (a) of Section 96.1, or any successor to that provision, may not reflect any portion of any property tax revenue allocation required by this section for a preceding fiscal year.

(f) This section may not be construed to do any of the following:

(1) Reduce any allocations of excess, additional, or remaining funds that would otherwise have been allocated to cities, counties, cities and counties, or special districts pursuant to clause (i) of subparagraph (B) of paragraph (4) of subdivision (d) of Section 97.2, clause (i) of subparagraph (B) of paragraph (4) of subdivision (d) of Section 97.3, or Article 4 (commencing with Section 98), had this section not been enacted. The allocation made pursuant to subdivisions (a) and (c) shall be adjusted to comply with this paragraph.

(2) Require an increased ad valorem property tax revenue allocation to a community redevelopment agency.

(3) Alter the manner in which ad valorem property tax revenue growth from fiscal year to fiscal year is determined or allocated in a county.

SEC. 12. Section 17604 of the Welfare and Institutions Code is amended to read:

17604. (a) All motor vehicle license fee revenues collected in the 1991–92 fiscal year that are deposited to the credit of the Local Revenue Fund shall be credited to the Vehicle License Fee Account of that fund.

(b) (1) For the 1992–93 fiscal year and fiscal years thereafter, from vehicle license fee proceeds from revenues deposited to the credit of the Local Revenue Fund, the Controller shall make monthly deposits to the Vehicle License Fee Account of the Local Revenue Fund until the deposits equal the amounts that were allocated to counties, cities, and cities and counties as general purpose revenues in the prior fiscal year pursuant to this chapter from the Vehicle License Fee Account in the Local Revenue Fund and the Vehicle License Fee Account and the Vehicle License Fee Growth Account in the Local Revenue Fund.



(2) Any excess vehicle fee revenues deposited into the Local Revenue Fund pursuant to Section 11001.5 of the Revenue and Taxation Code shall be deposited in the Vehicle License Fee Growth Account of the Local Revenue Fund.

(c) (1) On or before the 27th day of each month, the Controller shall allocate to each county, city, or city and county, as general purpose revenues the amounts deposited and remaining unexpended and unreserved on the 15th day of the month in the Vehicle License Fee Account of the Local Revenue Fund, in accordance with paragraphs (2) and (3).

(2) For the 1991–92 fiscal year, allocations shall be made in accordance with the following schedule:

Jurisdiction	Allocation Percentage
Alameda	4.5046
Alpine	0.0137
Amador	0.1512
Butte	0.8131
Calaveras	0.1367
Colusa	0.1195
Contra Costa	2.2386
Del Norte	0.1340
El Dorado	0.5228
Fresno	2.3531
Glenn	0.1391
Humboldt	0.8929
Imperial	0.8237
Inyo	0.1869
Kern	1.6362
Kings	0.4084
Lake	0.1752
Lassen	0.1525
Los Angeles	37.2606
Madera	0.3656
Marin	1.0785
Mariposa	0.0815
Mendocino	0.2586
Merced	0.4094
Modoc	0.0923
Mono	0.1342

Monterey	0.8975
Napa	0.4466
Nevada	0.2734
Orange	5.4304
Placer	0.2806
Plumas	0.1145
Riverside	2.7867
Sacramento	2.7497
San Benito	0.1701
San Bernardino	2.4709
San Diego	4.7771
San Francisco	7.1450
San Joaquin	1.0810
San Luis Obispo	0.4811
San Mateo	1.5937
Santa Barbara	0.9418
Santa Clara	3.6238
Santa Cruz	0.6714
Shasta	0.6732
Sierra	0.0340
Siskiyou	0.2246
Solano	0.9377
Sonoma	1.6687
Stanislaus	1.0509
Sutter	0.4460
Tehama	0.2986
Trinity	0.1388
Tulare	0.7485
Tuolumne	0.2357
Ventura	1.3658
Yolo	0.3522
Yuba	0.3076
Berkeley	0.0692
Long Beach	0.2918
Pasadena	0.1385

(3) For the 1992–93, 1993–94, and 1994–95 fiscal year and fiscal years thereafter, allocations shall be made in the same amounts as were distributed from the Vehicle License Fee Account and the Vehicle License Fee Growth Account in the prior fiscal year.



(4) For the 1995–96 fiscal year, allocations shall be made in the same amounts as distributed in the 1994–95 fiscal year from the Vehicle License Fee Account and the Vehicle License Fee Growth Account after adjusting the allocation amounts by the amounts specified for the following counties:

Alpine	\$(11,296)
Amador	25,417
Calaveras	49,892
Del Norte	39,537
Glenn	(12,238)
Lassen	17,886
Mariposa	(6,950)
Modoc	(29,182)
Mono	(6,950)
San Benito	20,710
Sierra	(39,537)
Trinity	(48,009)

(5) For the 1996–97 fiscal year and fiscal years thereafter, allocations shall be made in the same amounts as were distributed from the Vehicle License Fee Account and the Vehicle License Fee Growth Account in the prior fiscal year.

Initial proceeds deposited in the Vehicle License Fee Account in the 2003–04 fiscal year in the amount that would otherwise have been transferred pursuant to Section 10754 of the Revenue and Taxation Code for the period June 20, 2003, to July 15, 2003, inclusive, shall be deemed to have been deposited during the period June 16, 2003, to July 15, 2003, inclusive, and allocated to cities, counties, and a city and county during the 2002–03 fiscal year.

(d) The Controller shall make monthly allocations from the amount deposited in the Vehicle License Collection Account of the Local Revenue Fund to each county in accordance with a schedule to be developed by the State Department of Mental Health in consultation with the California Mental Health Directors Association, which is compatible with the intent of the Legislature expressed in the act adding this subdivision.

SEC. 13. (a) The Director of Finance shall work with the Treasurer, the State Allocation Board, and any other executive agencies as necessary, to achieve a combined savings of no less than fifty million dollars (\$50,000,000) in General Fund debt service costs in the 2003–04 and 2004–05 fiscal years.

(b) It is not the intent of the Legislature that these savings impair existing contracts or disrupt phases of projects that are currently underway.

SEC. 14. Item 3910-001-0387 of Section 2.00 of Chapter 157 of the Statutes of 2003 is amended to read:

3910-001-0387—For support of California Integrated Waste Management Board, payable from the Integrated Waste Management Account, Integrated Waste Management Fund	36,284,000
Schedule:	
(1) 11—Waste Reduction and Management	78,461,000
(2) 30.01—Administration	8,545,000
(3) 30.02—Distributed Administration	–8,545,000
(4) Reimbursements	–585,000
(5) Amount payable from Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Fund (Item 3910-001-0005)	–152,000
(6) Amount payable from California Used Oil Recycling Fund (Item 3910-001-0100)	–4,128,000
(7) Amount payable from California Used Oil Recycling Fund (paragraph (4) of subdivision (a) of Section 48653 of the Public Resources Code)	–2,182,000
(8) Amount payable from California Used Oil Recycling Fund (paragraph (1) of subdivision (a) of Section 48653 of the Public Resources Code)	–2,336,000
(9) Amount payable from California Tire Recycling Management Fund (Item 3910-001-0226)	–27,679,000



- (10) Amount payable from Recycling
Market Development Revolving
Loan Account, Integrated Waste
Management Fund (Item
3910-001-0281) -1,820,000
- (11) Amount payable from Solid Waste
Disposal Site Cleanup Trust Fund
(Item 3910-001-0386) -532,000
- (12) Amount payable from Integrated
Waste Management Account, Inte-
grated Waste Management Fund
(Item 3910-006-0387) -640,000
- (13) Amount payable from Farm and
Ranch Solid Waste Cleanup and
Abatement Account (Item
3910-001-0558) -1,017,000
- (14) Amount payable from
Federal Trust Fund (Item
3910-001-0890) -106,000
- (15) Amount payable from Rigid Con-
tainer Account (Item
3910-001-3024) -1,000,000

Provisions:

1. Notwithstanding subdivision (h) of Section 42023.1 of the Public Resources Code, the California Integrated Waste Management Board may offset the costs of administering the revolving loan program for Recycling Market Development Zones with funds appropriated in this item.
2. The amount appropriated in this item includes revenues derived from the assessment of fines and penalties imposed as specified in Section 13332.18 of the Government Code.
3. Of the amount appropriated in this item, \$685,000 is provided to support six (6) Advisor, four (4) Executive Assistant, and one (1) Office Technician positions to support members of the California Integrated Waste Management Board. These positions shall be administratively established by the Department of Finance for the 2003–04 fiscal year, and shall be considered permanent positions thereafter.

SEC. 15. Notwithstanding Section 17610 of the Government Code, if the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code. If the statewide cost of the claim for reimbursement does not exceed one million dollars (\$1,000,000), reimbursement shall be made from the State Mandates Claims Fund.

